

Congress of the United States
Washington, DC 20515

June 16, 2021

The Honorable Richard E. Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Neal,

We are writing to express strong support for permanent unemployment insurance reforms and to urge the Committee to consider these measures as negotiations continue around the American Jobs and Families Plans. The hardship so many have faced during the pandemic was not an isolated incident, as many were suffering at the whims of an inequitable system before the pandemic. We cannot leave unemployed workers at the mercy of state governments who have shown such careless disregard for their economic security. Nor can we count on state legislatures to strengthen their unemployment insurance systems or a future Congress to provide additional emergency unemployment benefits in the next recession.

The everyday people and families who were struggling to make ends meet before this pandemic will continue to struggle long after this pandemic unless we put safeguards in place. Millions of people across America are in dire need of support to buy diapers and food and to remain housed, and to stay safe by keeping the air conditioning on during this climate change-induced hot summer. We need to enact a permanent response that sets basic federal standards to build a stronger, more resilient and more equitable economy.

At midnight on Friday, June 12th, all federal pandemic assistance for unemployed workers in our home states of Missouri and Mississippi was cut off prematurely. This will worsen the hardship of thousands of people and families during a time when our nation still faces a deficit of nearly 8 million jobs compared to the pre-pandemic economy.¹ Approximately one out of every 20 workers in our states will lose assistance due to these states' actions.² Unemployment benefits have been a lifeline for many, especially people of color who have been disproportionately affected by this economic crisis; U.S. Department of Labor data compiled by the Century Foundation shows that in Missouri, Black workers represent nearly 30% of unemployment insurance claimants and in Mississippi, 70% of claimants.³ When benefits are denied or prematurely cut off, this harms individual workers and their families, and the effects on children can last a lifetime. The magnitude of the loss is profound, with Missourians standing to lose more than \$391 million from early unemployment cancellation and Mississippians standing to lose \$201 million.⁴ This loss of

¹<https://www.epi.org/indicators/unemployment/>

²https://www.jec.senate.gov/public/_cache/files/a1bd760f-ca79-4e11-ba67-cd2e402e1b5f/2-pager-on-fpuc-and-gop-govs-06.03.2021-final.pdf

³<https://tcf.org/content/report/new-safety-net-for-an-era-of-unstable-earnings/?session=1>

⁴https://www.jec.senate.gov/public/_cache/files/0e258014-b89d-4070-b788-ec12e5f1a2d5/2-pager-on-fpuc-and-gop-govs-06.02.2021.pdf

income also affects local businesses as families struggle to make ends meet; local economies in Missouri and Mississippi are estimated to lose a combined \$954 million as a result of these cancellations.⁵

Congress had to take extraordinary action during this pandemic because of the weaknesses and inadequacies of state systems and responses. Any economic recovery legislation must contain permanent fixes to these failing state systems, with basic federal standards to ensure workers who lose their jobs get the assistance they need and deserve. This includes a federal floor for:

1. Eligibility, to address coverage barriers that particularly affect low-wage workers, workers of color, and women;
2. Wage replacement rates, which currently average an unacceptably low 44% nationwide and even lower in many states, including ours; and
3. Minimum weeks of benefits, which states have been cutting below the previous standard of 26 weeks.

President Biden has indicated that some or all of the temporary unemployment insurance programs that Congress established in response to the pandemic will not be extended after their expiration on September 6th. However, his budget has called for new permanent reforms to the unemployment insurance system. We strongly support the call in the President's FY 22 budget proposal addressing "long-standing racial and gender inequalities embedded in the UI system" by setting "a federal floor on states" "eligibility rules" and taking action to "improve benefits across states by ensuring that benefit levels and benefit duration are adequate."

Only a permanent federal policy can steer us out of this pandemic and guarantee unemployed workers the financial relief and support they need going forward. Congress must act swiftly and boldly to enact the federal standards outlined above and in the President's budget.

We look forward to working with the committee to ensure everyday people and families across our districts can live a joyous and decent life long after this pandemic ends. Thank you.

Sincerely,



CORI BUSH
Member of Congress



EMANUEL CLEAVER, II
Member of Congress



BENNIE G. THOMPSON
Member of Congress

⁵https://www.jec.senate.gov/public/_cache/files/0e258014-b89d-4070-b788-ec12e5f1a2d5/2-pager-on-fpuc-and-gop-govs-06.02.2021.pdf